

1 UNITED STATES BANKRUPTCY COURT
2 EASTERN DISTRICT OF PENNSYLVANIA
3 Case No. 2-01-01139-AMC

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5 In the Matter of:

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7 W.R. GRACE & CO., ET AL.,

8

9 Debtors.

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12 U.S. Bankruptcy Court
13 Robert N.C. Nix Sr. Federal Courthouse
14 900 Market Street, Suite 204
15 Philadelphia, PA 19107

16

17 September 8, 2021

18 10:02 AM

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21 B E F O R E :

22 HON. ASHLEY M. CHAN

23 U.S. BANKRUPTCY JUDGE

24

25 ECRO: UNKNOWN

1 HEARING Re Debtor's Emergency Motion For An Order Finding
2 That Rune Kraft Is In Contempt Of This Court By Having
3 Willfully And Knowingly Violated This Court 'S Confirmation
4 Order And Its Order Of August 26, 2021 [Docket No. 33256] By
5 Filing A Motion For An Article Iii Court 'S Review Of The
6 Court's August 26 Order - Expedited.

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25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

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18 ALSO APPEARING TELEPHONICALLY:

19 VIKTORIYA SHPIGELMAN, W.R. Grace

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1 P R O C E E D I N G S

2 THE COURT: Thank you. This is Judge Chan's ten
3 o'clock list for September 8th: WR Grace. And it's the
4 Debtor's emergency motion for contempt order to Rune Kraft.
5 Could counsels make their appearance, please?

6 MR. O'NEILL: Good morning. This is James
7 O'Neill, Pachulski Stang Ziehl & Jones, appearing on behalf
8 of WR Grace. And with me today is Roger Higgins, also on
9 behalf of Grace.

10 We have on the line with us today our client,
11 Viktoriya Shpigelman, who is Senior Corporate Council at
12 Grace. And I believe we also have Ryan Roman from the
13 Akerman firm, who is Grace's counsel in the Arizona matter.
14 And I think that completes the appearances on behalf of the
15 Debtor, WR Grace.

16 I'll pause for just a moment in case there's
17 anyone else appearing on behalf of WR Grace. I don't hear
18 anybody else.

19 THE COURT: All right. Is there anyone else on
20 the line Tasha?

21 CLERK: No, all (indiscernible).

22 THE CLERK: Okay, well, Mr. O'Neill, either you
23 can -- I've already read everything. And I thought that,
24 you know, we have an issue here, which is that he's simply
25 not abiding by my order. I'm planning to enter your order,

1 unless you had anything else that you wanted to add or
2 explain. I did --

3 MR. O'NEILL: Your Honor, I would.'

4 THE COURT: Yeah, go ahead.

5 MR. O'NEILL: I do want to add -- I'm sorry to
6 interrupt.

7 THE COURT: Oh no, not at all, go ahead.

8 MR. O'NEILL: I wanted to give Mr. Higgins an
9 opportunity just to -- I know you're aware and you've read
10 all the papers, and thank you very much for that. But I'm
11 going to turn it over to Mr. Higgins just to give the Court
12 a quick update in terms of where we are, because I think
13 that would be helpful.

14 THE COURT: No problem. Mr. Higgins?

15 MR. HIGGINS: Yes, thank you, Your Honor. Roger
16 Higgins for Grace.

17 Two matters: One is, in the Arizona matter, we do
18 have a response deadline of September 10, which is why we
19 ask for this hearing to be today, to give you time to enter
20 an order. Sounds like, as you were saying, you were going
21 to enter our order, more or less in the form presented. We
22 thank you for that.

23 The other is that I did receive, or we did
24 receive, Mr. O'Neill and I, another missive from Mr. Kraft
25 on Friday, the 3rd. I don't believe it -- while it is

1 somewhat longer than the emails that we attached to our
2 contempt motion, and to our supplemental pleading, I just
3 wanted to alert you to the fact that he did send me this
4 email. Once again, evincing the intent not to attend, and
5 making the assertion that this Court does not have personal
6 jurisdiction over him. And that's really all I think we
7 have to say today.

8 THE COURT: Okay. I mean, obviously, the proper
9 way for him to proceed was, he should have appealed my
10 order. I believe the appeal deadline for that order is
11 tomorrow. So, in the absence of him doing that, he is in
12 contempt of my order and I am planning to enter the order
13 that you guys filed and proposed. And I really hope we
14 don't have to ratchet it up to some other type of sanction.
15 But if he, you know, continues to choose to ignore this
16 order, then obviously, you guys need to file whatever
17 additional pleadings before me. And perhaps, whoever your
18 counsel is in that Arizona action they could, you know, just
19 explain what's going on here. But I will enter that order
20 today.

21 MR. HIGGINS: Thank you, Your Honor. And just one
22 further note, we are filing notices of each of our pleadings
23 in this Court, in the Arizona matter. And we have filed
24 notice, obviously, of your August 26th order, and we'll file
25 notice of this order.

1 THE COURT: Okay, that sounds perfect. And that's
2 all you can do, right? I mean, at some point that Judge
3 will, hopefully, be able to see what's going on here, and
4 we'll get to it one way or another, okay?

5 MR. HIGGINS: All right. Thank you, Your Honor.

6 THE COURT: All right. I'll sign the order.
7 Thank you all for attending today.

8 MR. O'NEILL: Thank you very much, Your Honor.

9 (Whereupon these proceedings were concluded at
10 10:07 AM)

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C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.

Sonya Ledanski
Hyde

Digitally signed by Sonya Ledanski Hyde
DN: cn=Sonya Ledanski Hyde, o, ou,
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Date: September 10, 2021

[& - hyde]

Page 1

&	al 1:7	continues 6:15	f
& 1:7 3:3 4:7	alert 6:3	corporate 4:11	f 1:21 8:1
1	amc 1:3	council 4:11	fact 6:3
10 5:18 8:25	anybody 4:18	counsel 4:13 6:18	federal 1:13
10:02 1:18	appeal 6:10	counsels 4:5	file 6:16,24
10:07 7:10	appealed 6:9	country 8:21	filed 6:13,23
11501 8:23	appearance 4:5	court 1:1,12 2:2,3	filing 2:5 6:22
19107 1:15	appearances 4:14	2:5 4:2,19 5:4,7	finding 2:1
19801 3:6	appearing 3:18	5:11,14 6:5,8,23	firm 4:13
	4:7,17	7:1,6	fl 3:14
2	arizona 4:13 5:17	courthouse 1:13	foregoing 8:3
	6:18,23	court's 2:6	form 5:21
2-01-01139 1:3	article 2:5	d	fort 3:14
201 3:13	ashley 1:22	d 4:1	friday 5:25
2021 1:17 2:4 8:25	assertion 6:5	date 8:25	further 6:22
204 1:14	attached 6:1	de 3:6	g
26 2:4,6	attend 6:4	deadline 5:18	g 4:1
26th 6:24	attending 7:7	6:10	give 5:8,11,19
3	attorneys 3:4,12	debtor 3:4,12	go 5:4,7
300 8:22	august 2:4,6 6:24	4:15	going 5:11,20
330 8:21	aware 5:9	debtor's 4:4	6:19 7:3
33256 2:4	b	debtors 1:9	good 4:6
33301 3:14	b 1:21	debtor's 2:1	grace 1:7 3:19 4:3
3rd 5:25	bankruptcy 1:1	district 1:2	4:8,9,12,15,17
8	1:12,23	docket 2:4	5:16
8 1:17	behalf 4:7,9,14,17	doing 6:11	grace's 4:13
8th 4:3	believe 4:12 5:25	e	guys 6:13,16
9	6:10	e 1:21,21 3:1,1,13	h
900 1:14	c	4:1,1 8:1	hear 4:17
919 3:5	c 3:1 4:1 8:1,1	eastern 1:2	hearing 2:1 5:19
a	case 1:3 4:16	ecro 1:25	helpful 5:13
abiding 4:25	certified 8:3	either 4:22	higgins 3:9 4:8
able 7:3	chan 1:22	email 6:4	5:8,11,14,15,16
absence 6:11	chan's 4:2	emails 6:1	6:21 7:5
accurate 8:4	choose 6:15	emergency 2:1	hon 1:22
action 6:18	clerk 4:21,22	4:4	honor 5:3,15 6:21
add 5:1,5	client 4:10	enter 4:25 5:19,21	7:5,8
additional 6:17	completes 4:14	6:12,19	hope 6:13
ahead 5:4,7	concluded 7:9	et 1:7	hopefully 7:3
akerman 3:11	confirmation 2:3	evincing 6:4	hyde 2:25 8:3,8
4:13	contempt 2:2 4:4	expedited 2:6	
	6:2,12	explain 5:2 6:19	

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Page 2

i	n	pleading 6:2 pleadings 6:17,22 please 4:5 point 7:2 presented 5:21 problem 5:14 proceed 6:9 proceedings 7:9 8:4 proper 6:8 proposed 6:13	simply 4:24 solutions 8:20 somewhat 6:1 sonya 2:25 8:3,8 sorry 5:5 sounds 5:20 7:1 sr 1:13 stang 3:3 4:7 states 1:1 street 1:14 3:5 suite 1:14 8:22 supplemental 6:2
iii 2:5 indiscernible 4:21 intent 6:4 interrupt 5:6 issue 4:24	n 3:1 4:1 8:1 n.c. 1:13 need 6:16 nix 1:13 north 3:5 note 6:22 notice 6:24,25 notices 6:22 ny 8:23	quick 5:12	t
j	o	q	t 8:1,1 tasha 4:20 telephonically 3:8 3:9,16,18 ten 4:2 terms 5:12 thank 4:2 5:10,15 5:22 6:21 7:5,7,8 think 4:14 5:12 6:6 thought 4:23 time 5:19 today 4:8,10 5:19 6:7,20 7:7 tomorrow 6:11 transcribed 2:25 transcript 8:4 true 8:4 turn 5:11 two 5:17 type 6:14
james 3:8 4:6 jones 3:3 4:7 judge 1:23 4:2 7:2 jurisdiction 6:6	o'clock 4:3 o'neill 3:8 4:6,7 4:22 5:3,5,8,24 7:8 obviously 6:8,16 6:24 oh 5:7 okay 4:22 6:8 7:1 7:4 olas 3:13 old 8:21 once 6:4 opportunity 5:9 order 2:1,4,4,6 4:4,25,25 5:20,21 6:10,10,12,12,16 6:19,24,25 7:6	r	u
k	o 1:21 4:1 8:1 o'clock 4:3 o'neill 3:8 4:6,7 4:22 5:3,5,8,24 7:8 obviously 6:8,16 6:24 oh 5:7 okay 4:22 6:8 7:1 7:4 olas 3:13 old 8:21 once 6:4 opportunity 5:9 order 2:1,4,4,6 4:4,25,25 5:20,21 6:10,10,12,12,16 6:19,24,25 7:6	r 1:21 3:1 4:1 8:1 rachet 6:14 read 4:23 5:9 really 6:6,13 receive 5:23,24 record 8:4 response 5:18 review 2:5 right 4:19 7:2,5,6 road 8:21 robert 1:13 roger 3:9 4:8 5:15 roman 3:16 4:12 rune 2:2 4:4 ryan 3:16 4:12	u.s. 1:12,23 united 1:1 unknown 1:25 update 5:12
know 4:24 5:9 6:15,18 knowingly 2:3 kraft 2:2 4:4 5:24	oh 5:7 okay 4:22 6:8 7:1 7:4 olas 3:13 old 8:21 once 6:4 opportunity 5:9 order 2:1,4,4,6 4:4,25,25 5:20,21 6:10,10,12,12,16 6:19,24,25 7:6	s	v
l	p	s	veritext 8:20
las 3:13 lauderdale 3:14 ledanski 2:25 8:3 8:8 legal 8:20 line 4:10,20 list 4:3 llp 3:11 longer 6:1	p 3:1,1 4:1 pa 1:15 pachulski 3:3 4:7 papers 5:10 pause 4:16 pennsylvania 1:2 perfect 7:1 personal 6:5 philadelphia 1:15 planning 4:25 6:12	s 3:1 4:1 sanction 6:14 saying 5:20 see 7:3 send 6:3 senior 4:11 september 1:17 4:3 5:18 8:25 shpigelman 3:19 4:11 sign 7:6	
m	p	s	
m 1:22 making 6:5 market 1:14 3:5 matter 1:5 4:13 5:17 6:23 matters 5:17 mean 6:8 7:2 mineola 8:23 missive 5:24 moment 4:16 morning 4:6 motion 2:1,5 4:4 6:2	p 3:1,1 4:1 pa 1:15 pachulski 3:3 4:7 papers 5:10 pause 4:16 pennsylvania 1:2 perfect 7:1 personal 6:5 philadelphia 1:15 planning 4:25 6:12	s 3:1 4:1 sanction 6:14 saying 5:20 see 7:3 send 6:3 senior 4:11 september 1:17 4:3 5:18 8:25 shpigelman 3:19 4:11 sign 7:6	

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Page 3

viktoriya 3:19 4:11 violated 2:3
w
w.r. 1:7 3:19 want 5:5 wanted 5:1,8 6:3 way 6:9 7:4 willfully 2:3 wilmington 3:6 wr 4:3,8,15,17
x
x 1:4,10
y
yeah 5:4
z
ziehl 3:3 4:7
,
's 2:3,5